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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/647,158	08/21/2003	Yuh-Shen Song	7443-101	1808
167	7590	10/09/2007	EXAMINER	
FULBRIGHT AND JAWORSKI LLP 555 S. FLOWER STREET, 41ST FLOOR LOS ANGELES, CA 90071			WRIGHT, JAMES B	
		ART UNIT	PAPER NUMBER	
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/647,158	SONG ET AL.	
	Examiner	Art Unit	
	J. Bradley Wright	3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) Responsive to communication(s) filed on 21 July 2007.
- 2a) This action is **FINAL**. 2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) Claim(s) 1-3,6,7,10 and 12-27 is/are pending in the application.
 - 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) Claim(s) _____ is/are allowed.
- 6) Claim(s) 1-3,6,7,10 and 12-27 is/are rejected.
- 7) Claim(s) _____ is/are objected to.
- 8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
 - a) All b) Some * c) None of:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)	4) <input type="checkbox"/> Interview Summary (PTO-413)
2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)	Paper No(s)/Mail Date. _____
3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)	5) <input type="checkbox"/> Notice of Informal Patent Application
Paper No(s)/Mail Date _____	6) <input type="checkbox"/> Other: _____

DETAILED ACTION

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

1. Claims 1-2, 6-7, 10, 12-13, 15-18 and 20-27 are rejected under 35 U.S.C. 103(a) as being unpatentable over McNeal (US Patent No. 6,728,397) (previously cited), in view of Wheeler, et al. (US Patent No. 6,789,189) (previously cited), and further in view of Caldwell, et al. (US Patent No. 6,418,202).

2. **Regarding claim 1**, McNeal discloses method for verification and processing of a point of sale ("POS") financial transaction involving a payer's account at a financial institution (Figure 1 and Abstract), comprising:
 - receiving, at a Validation and Processing Center (VPC) system, financial institution and payer account information based on a machine readable financial instrument used in the transaction (item 16 in Figures 1 and 2, column 4, lines 21-27, and column 6, lines 20-22), transaction details (item 28 in Figure 2, and column 5, lines 25-37) and embedded identification information read by a POS device from a machine-readable government issued identification card in the possession of the purported payer, wherein said machine readable financial instrument is physically separate from

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said machine readable identification card (item 20 in Figures 1 and 2, and column 4, lines 34-41);

- verifying that the embedded identification information read by the POS device from the government issued identification card matches the account holder information for the identified account stored in the remote database (column 5, lines 38-60); and
- verifying that the identified account has sufficient funds to cover a transaction amount specified by the payer (Abstract, lines 1-8).

However, McNeal does not explicitly disclose accessing a remote database containing an available balance for a specific account, and executing an electronic fund transfer from the account to the designated payee.

Wheeler discloses an analogous system for verifying the identity of a purchaser using a financial instrument related to an account for the purpose of improving the security of transactions involving such instruments, the system including:

- accessing by the VPC system through networks to a remote database maintained by the financial institution containing account available balance information and account holder information for said specific account (items 6012 and 6014 of Figure 60, and column 23, line 50 – column 24, line 9) for the purpose of confirming that the account contains sufficient funds to cover the transaction (column 60, lines 43-49); and
- when verification of both the identity of the payer and the amount of the transaction is successful, the VPC system causing the specified amount to be electronically transferred from the specified payer's account to a designated payee

(column 60, line 56-64) for the purpose of facilitating the transfer of funds and goods between the merchant and purchaser (column 61, lines 4-14).

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify McNeal to access a remote database containing an available balance for a specific account in order to confirm the availability of funds, and executing an electronic fund transfer from the account to the designated payee in order to facilitate the transaction between the merchant and purchaser.

McNeal further does not explicitly disclose the particular timing of the fund transfer or the use of an intermediary account.

Caldwell, in an analogous art, discloses a system for electronic funds transfer from a caller to a card issuer (column 2, lines 22-64) wherein electronic funds are immediately transferred from the callers account to an escrow account upon a service request (column 5, lines 22-25) and subsequently transferred from the escrow account to the card issuer's designated account when the service is provided(column 6, lines 1-5), for the purpose of ensuring that the caller's account contains sufficient funds to cover the requested service and that the funds will be available (column 1, line 65 – column 2, line 4). The Examiner further notes that Caldwell teaches that the escrow account may be maintained by a neutral third party that is independent of the parties involved (column 6, lines 5-8 and lines 38-40).

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify McNeal to immediately transfer a specified amount from the payers account to a third party escrow account in real time and

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subsequently causing transfer of the specified amount from the escrow account to a designated payee account, in order to ensure that the payer's account contains sufficient funds to cover the requested service and that the funds will be available, as taught by Caldwell.

2. **Regarding claim 2,** the combination of McNeal, Wheeler and Caldwell meets the claim limitations of claim 1, as discussed above. McNeal further discloses:

- prompting the payer to input into the POS device an additional item of personal information not embedded in the identification card but stored in the remote database of the financial institution (column 4, lines 28-56), and
- verifying that the additional personal information input by the payer matches the personal information stored in the remote database (column 5, line 62 – column 6, line 15).

3. **Regarding claim 6,** the combination of McNeal, Wheeler and Caldwell meets the claim limitations of claim 1, as discussed above. McNeal further discloses:

- prompting the payer to input into the POS device an additional item of personal information embedded in the identification card but not stored in the remote database of the financial institution (column 4, lines 28-56), and
- verifying that the additional personal information input by the payer matches the personal information embedded in the identification card (column 4, lines 28-56).

4. **Regarding claim 7,** the combination of McNeal, Wheeler and Caldwell meets the claim limitations of claim 6, as discussed above. However, McNeal does not explicitly disclose that the additional personal information input by the payer includes at least a personal identification number. Wheeler discloses that devices, such as debit cards, credit card, ID cards, and the like, may be have personal identification numbers (PINs) stored therein (column 15, lines 26-34, and column 16, lines 59-65) to provide secure access to an account. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify McNeal to request a PIN in order to provide additional security to the transaction.

5. **Regarding claim 10,** the combination of McNeal, Wheeler and Caldwell meets the claim limitations of claim 1, as discussed above. McNeal further discloses that the transaction details sent to the VPC system include the transaction amount, and the payee's financial account information (item 28 in Figure 2, and column 5, lines 25-37).

6. **Regarding claim 12,** the combination of McNeal and Wheeler meet the claim limitations of claim 1. McNeal further discloses that the system secures the funds for the transaction against potential payer fraud (column 3, lines 14-30). The Examiner notes that the inherent purpose of identification verification is to prevent fraud.

7. **Regarding claim 13,** the combination of McNeal, Wheeler and Caldwell meets the claim limitations of claim 1, as discussed above. McNeal further discloses that:

- the transaction is based on a financial instrument in the form of a check drawn on the specified financial institution (column 4, lines 1-17); and
 - the account and financial institution information is obtained by reading encoded information imprinted on the check (item 16 in Figure 2, and column 4, lines 17-27).

8. **Regarding claim 15**, the combination of McNeal, Wheeler and Caldwell meets the claim limitations of claim 13, as discussed above. McNeal further discloses that a magnetic ink character recognition device is incorporated into the POS device to read the account and financial institution information imprinted on the check (column 4, lines 21-24).

9. **Regarding claim 16**, the combination of McNeal, Wheeler and Caldwell meets the claim limitations of claim 1, as discussed above. However, McNeal does not explicitly disclose that the financial instrument is in the form of a regular credit and/or debit card. In an analogous art, as discussed above, Wheeler further discloses that:

- the transaction may be based on a regular credit and/or debit card issued by a specified financial institution (column 15, lines 26-34) and
 - the account and financial institution information is embedded in the card in a machine readable format (column 16, lines 59-65 and column 59, lines 41-49).

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify McNeal to verify the user of a credit and/or debit

card based on an account for the purpose of improving the security of transactions involving such accounts.

10. **Regarding claim 17,** the combination of McNeal, Wheeler and Caldwell meets the claim limitations of claim 16, as discussed above. However, McNeal does not explicitly disclose that a card reader is used to read the account and financial institution information contained in the credit and/or debit card. In an analogous art, as discussed above, Wheeler further discloses that a card reader is used to read the information contained in the credit and/or debit card (column 59, lines 31-49), and said information is embedded in the card in a machine readable format (column 16, lines 59-65).

11. **Regarding claim 18,** the combination of McNeal, Wheeler and Caldwell meets the claim limitations of claim 17, as discussed above. However, McNeal does not explicitly disclose a magnetic card reader. In an analogous art, as discussed above, Wheeler further discloses that a magnetic card reader is used to read the account and financial institution information contained in a magnetic strip of the card (column 59, lines 31-49).

12. **Regarding claim 20,** the combination of McNeal, Wheeler and Caldwell meets the claim limitations of claim 1, as discussed above. McNeal further discloses that collected verification data is transmitted to a main system, which is in connection with the appropriate identification databases containing relevant information data related to

various checking and/or credit accounts (column 4, line 57 – column 5, line 11). However, McNeal does not explicitly disclose that the main system is established exclusively for a particular financial institution to provide services to the customers of that financial institution. The Examiner previously took Official Notice in the Office Action mailed on January 3, 2007 that it was old and well-known in the art at the time the invention was made for a financial institute to establish dedicated systems for providing services to the customers of the financial institution for the purpose of improving customer relations by providing branded and personalized services to their customers. Under MPEP 2144.03 (C), since the Applicant has not traversed the Examiner's assertion of Official Notice, the prior common knowledge or well-known in the art statement is taken to be Admitted Prior Art (APA). Therefore, it would have been obvious to one of ordinary skill in the art to modify McNeal to establish main systems exclusive to particular financial institutions for use by customers of those financial institutions in order to improve the delivery of validation and processing services to the customers, as taught by the APA.

13. **Regarding claim 21,** the combination of McNeal, Wheeler and Caldwell meets the claim limitations of claim 1, as discussed above. However, McNeal does not explicitly disclose a wireless data transmission device and receiver. In an analogous art, as discussed above, Wheeler further discloses that a wireless data transmission device is incorporated into the identification card; and a wireless data receiver is

incorporated into the POS device to read the machine-readable identification information of the identification card (column 59, lines 31-40).

14. **Regarding claims 22 and 23,** the combination of McNeal, Wheeler and Caldwell meets the claim limitations of claim 1, as discussed above. However, McNeal does not explicitly disclose the relationship between the various accounts. Caldwell further teaches that the escrow account and payer's account may be at different financial institutions or commonly held (column 6, lines 5-11, and lines 38-40).

15. **Regarding claim 24 and 26,** the combination of McNeal, Wheeler and Caldwell meets the claim limitations of claims 2 and 6, respectively, as discussed above. McNeal further discloses that the personal information input by the payer includes at least biometric information (column 4, lines 28-56).

16. **Regarding claim 25 and 27,** the combination of McNeal, Wheeler and Caldwell meets the claim limitations of claims 24 and 26, respectively, as discussed above. McNeal further discloses that the biometric information input by the payer includes at least a fingerprint (column 4, lines 28-56).

17. Claims 3 is rejected under 35 U.S.C. 103(a) as being unpatentable over McNeal, in view of Wheeler and Caldwell, and further in view of Tetro, et al. (US Patent No. 6,095,413) (previously cited).

18. **Regarding claim 3,** the combination of McNeal, Wheeler and Caldwell meets the claim limitations of claim 2, as discussed above. However, McNeal does not explicitly disclose that the personal information includes a social security number. Tetro, in an analogous art, discloses a system and method for enhanced fraud detection in automated electronic credit card processing (Figure 1 and Abstract) wherein the personal information input by the payer includes at least part of a social security number (item 204 of Figure 2, and column 4, lines 31-59) for the purpose of minimizing fraudulent use of the credit card (column 2, lines 48-62). Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify McNeal to request the purchaser's social security number in order to provide additional security to the transaction and reduce fraudulent transactions.

19. Claim 14 is rejected under 35 U.S.C. 103(a) as being unpatentable over McNeal, in view of Wheeler and Caldwell, and further in view of Hills, et al. (US Patent No. 6,164,528) (previously cited).

20. **Regarding claim 14,** the combination of McNeal, Wheeler and Caldwell meets the claim limitations of claim 13, as discussed above. However, McNeal does not explicitly disclose that the financial instrument is marked as non-negotiable after the specified payment amount has been transferred from the specified payer's account. Hills discloses a point of sale check processing system (Figure 1 and Abstract) wherein after approval of a check, the check is stamped "Void" or "Electronically Settled" for the

purpose of providing a security measure and preventing fraud (column 12, lines 54-67). Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify McNeal to mark settled checks as non-negotiable (i.e. void) to provide additional security and prevent fraud.

28. Claim 19 is rejected under 35 U.S.C. 103(a) as being unpatentable over McNeal, in view of Wheeler and Caldwell, and further in view of the Admitted Prior Art.

29. **Regarding claim 19,** the combination of McNeal, Wheeler and Caldwell meets the claim limitations of claim 1, as discussed above. However, McNeal does not explicitly disclose that the POS terminal is a self-service terminal. The Examiner has previously taken Official Notice in the Office Actions mailed on January 26, 2005 and September 20, 2005 that self-service terminals are old and well known in the art. Under MPEP 2144.03 (C), since the Applicant was not traversed the Examiner's assertion of Official Notice, the prior common knowledge or well-known in the art statement is taken to be Admitted Prior Art (APA). The Examiner notes that a general allegation that the claims define a patentable invention without any reference to the Examiner's assertion of Official Notice is inadequate. Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to modify the POS terminal of McNeal to be a self-service terminal in order to make the check out process more efficient.

Response to Arguments

30. Applicant's arguments have been fully considered but are moot in view of the new ground(s) of rejection.

Conclusion

31. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

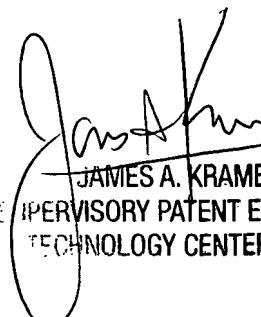
32. Any inquiry concerning this communication or earlier communications from the examiner should be directed to J. Bradley Wright whose telephone number is (571) 272-5872. The examiner can normally be reached on M - F 8:30am - 5:00pm.

JAMES A. KRAMER
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3600

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammell can be reached on (571) 272-6712. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

jbw


10-1-07
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